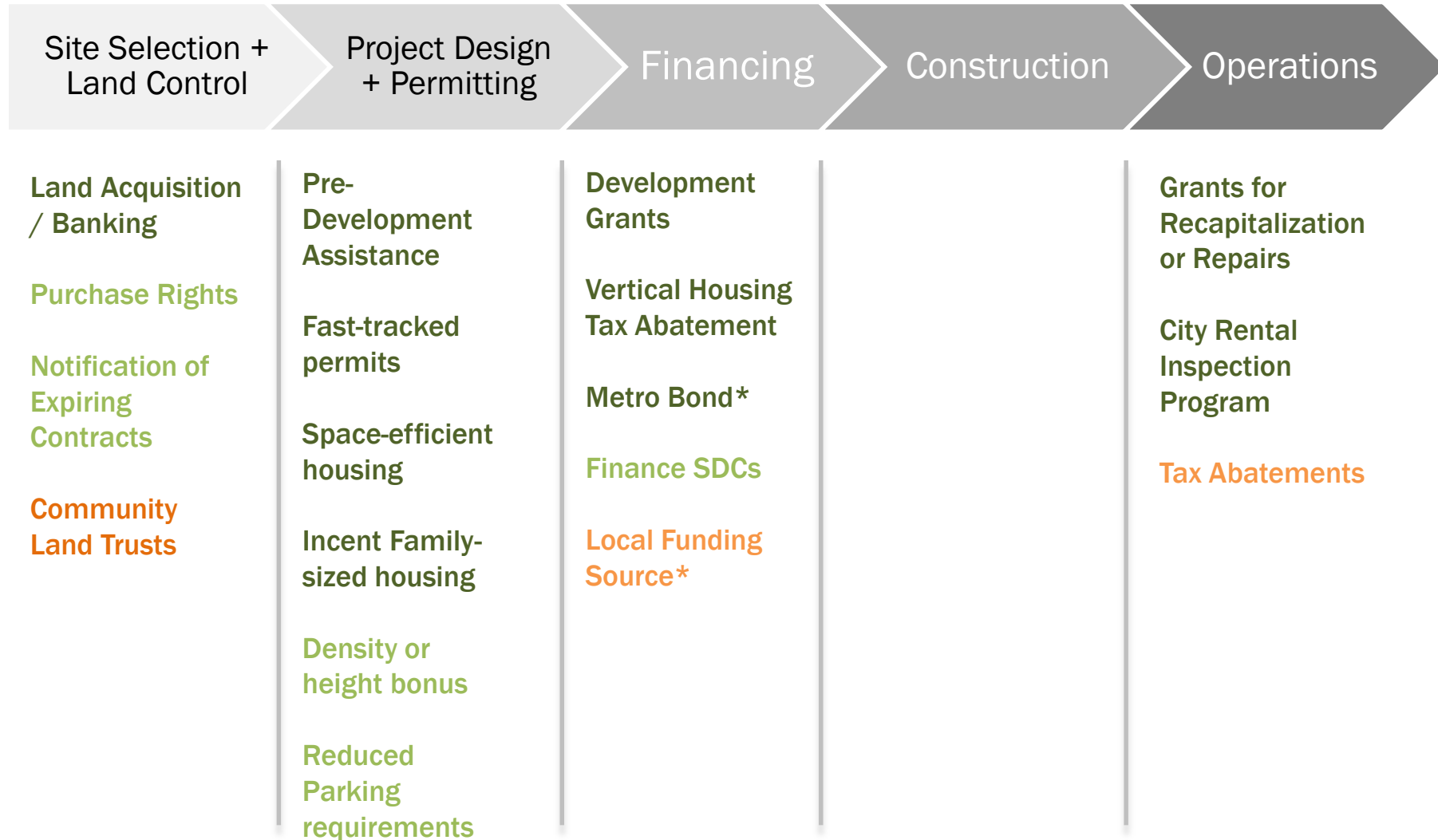


Recommended Actions: Housing Supply

KEY: Expand or Create New Program | Maintain Existing Program | Explore Program



**Funding source to generate revenue to invest in other programs listed*

DATE: May 1, 2019
TO: Brian Monberg, City of Gresham
FROM: Lorelei Juntunen and Emily Picha
SUBJECT: **SUMMARY OF HOUSING SUPPLY-RELATED ACTIONS FOR GRESHAM HOUSING STRATEGY**
- DRAFT

This document provides a summary of the task force and staff recommendation for tools and programs related to increasing Gresham's housing supply. The table provides a summary of the key categories, tools for implementation, and an overview of next steps for implementation for each of the tools. *Please note: The numbers to the left of the program names in the tables are for reference and readability purposes only and do not reflect implementation priority.*

Exhibit 1. Summary of Tools for Implementation

Tool		Description	Short-term (2019)	Medium-Term (2020-2021+)
1 Build New City Programs				
1A	Land Acquisition Strategy, Land Banking, and PPPs	Supports affordable housing by reducing or eliminating land cost from development.	<ul style="list-style-type: none"> Direct staff to develop a City-led strategy to work with partners and optimize the use of City-owned land. Consider role of Metro GO Bond Inventory City or publicly-owned property that could contribute to housing production 	<ul style="list-style-type: none"> Seek opportunities for partnerships with property owners or developers to implement strategy Revisit strategy each year
1B	Incentives for Space-Efficient Housing	Provides development standards that allow certain types of housing such as cottage clusters, internal division of larger homes, duplexes, and accessory dwelling units.	<ul style="list-style-type: none"> Develop menu of possible code changes Initiate conversations with key stakeholders 	<ul style="list-style-type: none"> Continue stakeholder conversations Implement changes Develop explanatory materials
1C	Expedited and Fast-Track Planning and Building Permit Review	Allows for faster development review for affordable housing, or for pre-approved housing development types, thereby reducing time and cost of new development to allow for lower rents to be charged.	<ul style="list-style-type: none"> Clarify process differences Explore independent permit review 	<ul style="list-style-type: none"> Explore program expansion
2 Expand Existing City Programs				
2A	Enhancements to City Rental Inspection Program	Enhancements the City's program to support renters and watch for opportunities to preserve housing that may be sold or may see rents increase.	<ul style="list-style-type: none"> Explore connections among different enforcement programs Develop and assess options for enhancement Work with stakeholders to explore implications and outcomes from implementing potential changes 	<ul style="list-style-type: none"> Implement changes

Tool		Description	Short-term (2019)	Medium-Term (2020-2021+)
2B	Pre-Development Assistance	Grants or low interest loans for evaluation of site constraints and opportunities, development feasibility, conceptual planning, or other activities to reduce pre-development costs.	<ul style="list-style-type: none"> Initiate discussions about program expansions with staff Clarify the role that City can play in supporting pre-development, given known development barriers in Gresham Explore funding options to support expanded programs 	<ul style="list-style-type: none"> Implement changes
2C	Grants/Loans for New Development and Preservation	Investments intended to help regulated and unregulated properties with development costs, loan recapitalization, and/or pay for necessary capital repairs so that land-owners can avoid selling to the private market for capital.	<ul style="list-style-type: none"> Evaluate use of Metro GO Bond for grant or loan program Consider development of housing inventory to identify housing preservation opportunities Develop program criteria and processes 	<ul style="list-style-type: none"> Implement program criteria and initial investments
2D	Vertical Housing Tax Abatement	Subsidizes mixed-use buildings to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments.	<ul style="list-style-type: none"> Evaluate options for expanding the existing Vertical Housing Tax Abatement Zone Evaluate impacts of the expansion on displacement for vulnerable populations 	<ul style="list-style-type: none"> Implement changes to the program, including geographic boundaries.
3	Explore Implementation			
3A	Community Land Trusts	There are several community land trust models throughout the country. The model used in the Portland area involves a non-profit, municipal, or other organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.	<ul style="list-style-type: none"> Continue conversations with Proud Ground about acquisition opportunities Explore potential funding sources to support acquisition and partnership with Proud Ground Explore other CLT models and the role that the City might play 	<ul style="list-style-type: none"> As appropriate, make decisions about more intensive partnerships or CLT approaches that might be appropriate in Gresham
3B	Incentives for Family-Sized housing	Programs or tools that support the development of larger units.	<ul style="list-style-type: none"> Clarify demand for affordable family-sized units in Gresham Draft list of possible incentives Review incentives with stakeholders 	<ul style="list-style-type: none"> Implement as appropriate
3C	New affordable housing tax abatements	Conduct an analysis of available options to determine which are most appropriate to and viable in Gresham's market. Through a multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units.	<ul style="list-style-type: none"> Conduct an analysis of available options to determine which are most appropriate to and viable in Gresham's market 	<ul style="list-style-type: none"> Consider adopting new abatement programs
4	Maintain Current City Program			
4A	Financing Building Permit and Planning Fees or SDCs	Program to finance permit fees and/or System Development Charges for affordable housing developments.	No immediate additional actions	

	Tool	Description	Short-term (2019)	Medium-Term (2020-2021+)
4B	Reduced Parking Requirements	Development standards that reduce the required number of parking spaces for affordable housing and/or housing near high-capacity or rapid transit.	No immediate additional actions	
4C	Density and Height Bonuses	Policies that allow increased density and/or height for regulated affordable housing and/or for housing types that tend to be lower cost (e.g. cottage homes, duplexes/triplexes, etc.)	No immediate additional actions	
4D	Policies Requiring or Incenting Purchase Rights to Nonprofits or City	Policy that would require landlords to notify cities and/or nonprofits of the intent to sell so that the cities/nonprofits have the ability to purchase land/properties before they turn to market rate (important for NOAHs)	<ul style="list-style-type: none">• Coordinate with OHCS on policy changes• Coordinate with non-profits, including CASA of Oregon• Identify what other possibilities are possible per Oregon law, and other resources that might be available through partners	
4E	Policies Requiring Notification of Expiring Contracts	Policy requiring that rent-regulated properties coming upon their regulatory expirations notify cities or nonprofits (again to enable cities/nonprofits to purchase the properties before they turn to market rate)	<ul style="list-style-type: none">• Continue to work with OHCS and state agencies to monitor expiring contracts.	
Hold for Future Consideration				
	Inclusionary Zoning	Requires or incents developers to set aside a certain share of new housing at a price affordable to people of low or middle income.		
	Rent Regulation	A price control that limits how much a landlord can charge for renting out a unit or the rent increase allowed upon lease renewal. Currently limited by state pre-emption.		
	Reduced or Waived Permit Fees or Systems Development Charges	An array of programs that offer reductions or waivers on a project's system development charges or permit fees, which reduces the cost to build those types of housing.		